

CREDIT AND DEBT MANAGEMENT OPERATING STANDARDS AND PROCEDURES HANDBOOK

CHAPTER 12. WAIVING CLAIMS AGAINST EMPLOYEES FOR ERRONEOUS PAYMENTS OF 1) PAY AND ALLOWANCES; AND 2) TRAVEL, TRANSPORTATION, AND RELOCATION EXPENSES AND ALLOWANCES

Section 1.0 Introduction

This chapter establishes the Department's policies and procedures for waiving claims by the Federal government against an employee for erroneous payments of 1) pay (e.g., basic pay, premium pay, and paid benefits) and allowances (e.g., subsistence, and overseas allowances); and 2) travel, transportation, and relocation expenses and allowances.

Section 2. Background

A waiver of claims is authorized under [5 United States Code \(U.S.C.\) § 5584](#) by the United States in whole or in part against an employee arising out of erroneous payments of pay and allowances, travel, transportation, and relocation expenses and allowances. A waiver may be considered when collection of the claim would be against equity and good conscience and not in the best interest of the United States provided that there does not exist, in the opinion of the authorized official or the head of the agency, as the case may be, in connection with the claim, an indication of fraud, misrepresentation, fault, or lack of good faith on the part of the employee or any other person having an interest in obtaining a waiver of the claim. A waiver may not be granted if the application for waiver is received after the expiration of three years immediately following the date on which the erroneous payment was discovered.

The General Accounting Office Act of 1996 ([Pub. L. 104-316](#)), amended [5 U.S.C. § 5584](#) by transferring the authority to waive claims for erroneous payments exceeding \$1,500 from the Comptroller General of the United States to the Office of Management and Budget (OMB). The OMB subsequently re-delegated this waiver authority to the executive agency that made the erroneous payment. The authority to waive claims not exceeding \$1,500, which was vested in the head of each agency prior to the enactment of [Pub. L. 104-316](#), was unaffected by the Act.

The [5 U.S.C. § 5514](#) authorizes the head of each agency, upon a determination that an employee is indebted to the United States for debts to which the United States is entitled to be repaid at the time of the determination, to deduct up to 15%, or a greater amount if agreed to by the employee, from the employee's pay at officially established pay intervals in order to repay the debt.

Section 3.0 Waivers for Overpayments for a) General Pay and Allowances, and b) Travel, Transportation, and Relocation Expenses and Allowances

The Department's policies and procedures for waivers of overpayment for general pay and allowances, and for travel, transportation, and relocation expenses and allowances can be found at the Department's Office of Human Resources Management's [General Pay](#) website.

[IMPORTANT NOTE TO OGC AND OHRM REVIEWERS: THIS CHAPTER IS CURRENTLY DRAFTED BASED ON THE PREMISE THAT OHRM WILL ADD POLICIES AND PROCEDURES FOR TRAVEL, TRANSPORTATION, AND RELOCATION EXPENSES AND ALLOWANCES TO ITS CURRENT GENERAL PAY WEBSITE. TREASURY HAS POLICIES AND PROCEDURES IN PLACE FOR TRAVEL, TRANSPORTATION, AND RELOCATION EXPENSES AND ALLOWANCES, AND OFM IS RECOMMENDING THAT OHRM ADD POLICIES/PROCEDURES FOR SUCH.]